

MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of morning business, with Senators permitted to speak therein for not to exceed 5 minutes.

Under the previous order, the time until 10:45 a.m. shall be under the control of the Senator from Wyoming, Mr. THOMAS, or his designee.

The Senator from Iowa.

Mr. GRASSLEY. Mr. President, is the Senator from Wyoming finished?

Mr. THOMAS. I yield to the Senator.

NOMINATION OF DAVID CHU

Mr. GRASSLEY. Mr. President, I want to speak about something I have often spoken about in this Chamber. My colleagues have not heard me speak about this for a couple months. I try to follow on a very regular basis what is going on in the Defense Department because I want to make sure our defense dollars are spent wisely.

I come to this Chamber today to explain my opposition to a Department of Defense nomination. This is the nomination of Dr. David Chu to be Under Secretary of Defense for Personnel and Readiness.

On Friday, May 18, I placed a hold on Dr. Chu's nomination. It happens that Dr. Chu is a very talented person. Those people who know him may wonder why I have some question about him filling this position because he is so highly educated, holding a Ph.D. from Yale University. He has a very impressive resume, and he has an extensive management and analytical background. He is currently vice president at the prestigious Rand Corporation.

In most ways, he is qualified for the position for which he has been nominated. I emphasize, he is qualified in most ways, but in a most important one—the matter of integrity—I am not 100-percent certain.

I have some unresolved questions about Dr. Chu's approach to telling it like it is—one might say his honesty. I am hoping these can be cleared up through negotiations.

My questions about Dr. Chu's integrity go back 20 years. I am sorry to say, to 1982, an incident I had that involved the Director of the Office of Program Analysis and Evaluation. This is commonly called PA&E—program, analysis, and evaluation.

PA&E was a very important office in the Pentagon in those days, and it was staffed with a very impressive cast of characters. It was set up in the 1960s to act as a devil's advocate for the Secretary of Defense.

PA&E was supposed to help the civilian Secretary of Defense separate the wheat from the chaff. PA&E was supposed to ferret out questionable programs and help the Secretary eliminate those that were not necessary.

From time to time, PA&E has to tangle with the brass at the Pentagon, and

it took a very special person to do that. I think Secretary Rumsfeld is coming to grips with that very same problem right now.

Over the years, PA&E developed a reputation for being very hardnosed, but also being very smart. In the old days, PA&E put the fear of God in the hearts and minds of admirals and generals worried about their pet projects.

Over the years, PA&E earned a solid reputation and well-deserved respect. That is how it came to be known as the home for the famous Pentagon "whiz kids." One of the modern-day whiz kids is one I came to know quite well—Franklin C. Spinney, Chuck Spinney for short.

Chuck Spinney worked for Dr. Chu in PA&E's tactical air division, where he still works this very day. Chuck Spinney's immediate boss was Tom Christie. Tom Christie is another distinguished PA&E alumnus. President Bush has just nominated him to be the next Director of Operational Test and Evaluation.

Tom Christie deserves a lot of credit for protecting Chuck Spinney. He provided a sanctuary where Chuck Spinney could speak freely. He provided an environment where Chuck Spinney could do the kind of work that PA&E had always done. Unfortunately, this kind of work became increasingly unpopular during the Reagan defense build-up.

That's when I met Chuck Spinney—in the early stage of the Reagan defense build-up. I came to know him as the author of a very controversial report entitled "The Plans/Reality Mismatch."

The Plans/Reality Mismatch was an explosive piece of work. It was so explosive because it undermined the credibility of the Reagan defense build-up.

Chuck Spinney's Plans/Reality Mismatch set the stage for an unprecedented hearing held in February 1983. This was a joint hearing between the Armed Services and Budget Committees that was held largely at my request.

And Chuck Spinney, his Plans/Reality Mismatch, and stack of famous spaghetti charts were the centerpiece of the hearing. This was a hearing characterized by high drama. It was held in the Senate Caucus Room under the glare of television lights and intense media coverage.

Chuck Spinney gained instant notoriety as the "maverick Pentagon analyst." He appeared on the cover of the March 7, 1983 issue of Time magazine.

My questions about Dr. Chu's integrity grew out of Chuck Spinney's Plans/Reality Mismatch.

Leading up to the hearing, Dr. Chu withheld information about the Spinney report. He didn't tell us the whole story. He tried to keep it from me, Senator Gorton, and Senator Kassebaum.

Mr. President, that's the bottom line: Dr. Chu was not forthright and honest with me.

I laid out the entire matter in much greater detail in a letter I wrote to the chairman of the Budget Committee, my friend from New Mexico, Senator PETE DOMENICI.

My letter to Senator DOMENICI is dated January 19, 1995.

I wrote the letter because Dr. Chu was being considered as a possible Director of the Congressional Budget Office. I opposed his appointment to that position.

My letter about Dr. Chu has remained a closely guarded secret for the past six years. Until recently, only Senator DOMENICI had seen the letter—and no one else.

When I heard that Dr. Chu was being considered for a top-level post in the Pentagon, I shared the letter with the Director of White House Personnel. That was on March 8.

Clearly, the existence of this letter has caused some heartburn in both the White House and Pentagon. It has generated a number of phone calls to my office.

I continue to have strong reservations about Dr. Chu's nomination.

When I was contacted by the White House about Dr. Chu, I made my position crystal clear:

If Secretary Rumsfeld wants to make Dr. Chu the Under Secretary of Personnel and Readiness, then Secretary Rumsfeld will need a strong, independent Inspector General (IG).

That's my position on the Chu nomination.

One of the IG's toughest jobs is the investigation of allegations of misconduct by senior Pentagon officials. He will need a hard-nosed individual with plenty of hands-on experience to succeed at that job.

I don't see the Pentagon moving in that direction—yet.

Mr. President, I may have much more to say about Dr. Chu at a later date.

I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from Wyoming.

SENATE BUSINESS

Mr. THOMAS. Mr. President, I take a few minutes this morning to talk about a topic to which we will soon be moving. We have properly spent a good deal of time on the budget. We spent a good deal of time on taxes, although that is not finished yet. I congratulate the chairman on his excellent work on the tax bill. It sounds as if we will be able to present that to the President and successfully give tax relief to the American people.

We also have been heavily involved in education. We have not finished that area yet. We will soon be returning to it.

Those have been the most current topics and perhaps, indeed, among Members the most important topics.

There is another topic that is very important to everyone and one to which we are moving, and that is energy and energy policy. After having

an energy policy, we will begin to implement that policy so we can make sure we can provide the necessary energy in a way that is careful and watchful about the environment. I think we can do this.

One of the important things that has happened is there is now an energy policy from the White House that will be open, of course, to great debate and great discussion in the Congress and in the whole country.

The fact is we have not had a policy on energy for a very long time. That is one of the reasons we find ourselves in the position we are in now. We have not looked ahead and we have not responded to the market messages that were sent in California. When we have consumption rising and production going down, there is a problem.

In the case of energy, as is the case of most other industries, it takes a good deal of time to implement some change. I am very pleased we are moving in that direction and we will continue to move. I applaud the President and Vice President CHENEY for the emphasis put by the White House on the energy issue and, specifically, the White House task force that completed its work in a rather short time. Of course, we have that energy package now. I think it will be the basis of our activities over the next several months, a very extensive booklet of issues pertaining to energy and the maintenance of our energy availability.

I applaud particularly the Vice President for working in this working group and including more than energy. The involvement of the Department of the Interior and the involvement of the Environmental Protection Agency are equally important, as in the involvement of the Energy Department itself. The things they do, the land they manage, the rules they promulgate certainly are as important as anything else that affects energy.

One of the real problems we have had is we have become more and more dependent on imported oil and foreign countries to produce what we need. Obviously, there will be an effort to increase domestic production. That is certainly the proper goal.

There has been some criticism that this study was not a public affair. However, the Vice President did talk to 265 different groups. This was not a public decisionmaking; this was the White House putting it out. How the Congress and the public will be involved. That is the proper way for the President to handle policy.

Chairman MURKOWSKI, from the Energy and Natural Resources Committee, or which I am member, has a broad bill that deals with many issues. There is a hearing going on as we speak, and the Secretary of Energy is talking to the committee about this report and his ideas for implementation.

The recommendations are extremely interesting and extremely important. Task force recommendations encour-

age fuel diversity—something we clearly need—and to utilize all of our domestic resources rather than relying on a particular resource. We need to talk about coal, which is now producing 52 percent of the electricity used in this country. Our reserves of coal are greater than probably any other fossil fuel. There is great opportunity for their use in the future.

There is also in this proposition, I think properly, a good deal of effort and money oriented towards continued developing technology and research in clean coal. I think that is something we ought to do.

There is also recognition and support for renewables, whether it is wind energy or solar energy or, in fact, hydro. We do that now. We have been working at that for some time. Frankly, renewables now produce only about 1 percent of our energy requirements but, nevertheless, there are opportunities for them to be a much larger part as we do research.

I come from the State of Wyoming. We have the highest coal production of any State and I think the largest resources of coal. We also have a considerable amount of wind and have some wind farms producing energy. Probably there will be a great deal more.

I remember, a number of years ago, a meeting in Casper, WY, on energy. This was 10 or 15 years ago. A speaker—I think from Europe—pointed out we have never run out of a fuel; we changed because we found one that was more efficient or more effective. We didn't run out of wood. We started using coal. We didn't run out of coal; we moved on to other things. I am confident we will move on, whether it is to hydrogen or solar or whatever, but I think we will be looking in that direction.

As we look at our automobiles and our travel plans for this holiday weekend, oil and gas has to be one of the things most important to us. Those volumes need to be improved. Our biggest problem at the moment is not crude oil amounts; it is really refining. We are up to 98 percent of capacity. So we need to do some things in that area.

I mentioned hydro. Along with that clean energy source, of course, is nuclear. Interestingly enough, most people do not recognize about 20 percent of our electric generation right now is nuclear. It is the most clean source, certainly of electric generation. It has difficulties. One of them is the waste, what to do with nuclear waste. We have been trying to deal with that for some time. We have the question of permanent storage out at Yucca Mountain, NV. We have spent billions getting into that place and have more to spend. We now find resistance from the State. They didn't resist spending the billions of dollars there, I might add. In any event, we have to do something there, perhaps take advice from France and Scandinavia, where they recycle this and have less waste than we do.

With Hydro, again, there are some paradoxes. Some of the environmental

groups are critical if there is not enough emphasis on hydro but, interestingly enough, those are the same people who, a couple of years ago, were talking about tearing down the dams, the ones that generate the hydro. So there is always conflict in these things.

We have to take into account, on the economic end, environmental factors. We need to find a way to produce more clean energy and more secure energy in our future. So our strategy ought to be, and generally is here in this policy book, to repair and expand the Nation's antiquated infrastructure.

That is difficult. There is always a great deal of concern about electric transmission lines, of course. I suppose nobody really wants one in their backyard. On the other hand, if you are going to have electricity in California, you have to have a transmission line to get it there. We need to find a way to do that more expediently. We need to find a way to do that, frankly, with more respect for people's private property. The same with gas pipelines, we have to have an infrastructure to do that.

We are still often dealing with outdated equipment, particularly in the area of gasoline refineries. There have not been any new refineries built for a very long time, so the ones we have, of course, are old. There have been some rules from EPA that have made it difficult to upgrade refineries. They have the new source rule, which says if you make it more efficient, or update the old refinery, you have to meet the environmental standards of a new plant. That has discouraged upgrading the plants we have now.

Another thing we ought to be doing—and, again, it is in this report—is conservation. That is a choice you and I have to make. There is no question but what we can conserve. Look around your house. There are lots of times when we can be using less electricity than we are. The same is true, of course, with gasoline. We have to find more efficient use of this resource, and we can do that. I don't know if it always has to be a legislative question. I think we have some personal responsibility in that area of conservation.

Boost supply, of course, alternative sources, encourage new technology—those are things we can do and must do.

In the West, one of our greatest challenges is access to public lands and care for those public lands. In my State of Wyoming, about 50 percent of the State belongs to the Federal Government. In some States, it is even higher than that. I think Nevada is almost 86-percent federally owned lands. So there are rules and regulations about access to those lands. Indeed, there should be. But the fact is, they are a resource that belongs to the American people and there ought to be an opportunity for access to these lands for all kinds of uses, whether it is hiking, hunting, grazing, mineral exploration. I think

we can do that in a way that is consistent with preserving these resources. Indeed, we should.

We have been developing energy for a very long time in Wyoming. For the most part, it has turned out quite well. We reclaim coal mines and the land recovers. When they are through, the land probably is more productive than it was before they started. You can see the deer and antelope come around to those places because there is more grass than there was before. We can do that.

We have to recognize there are different kinds of public lands. There is a great deal of difference between a national park, which is limited in its uses, and should be—we are not going to produce energy in Yellowstone National Park unless it is out of hot water or something; we are not going to do that and should not.

Wilderness—wilderness is set aside for singular uses. But most of the public land in Bureau of Land Management land that was never set aside for anything. It was there. It was there after they closed down the Homestead Act and these lands were unclaimed so they became Bureau of Land Management lands. They are available, in my view, and in most cases they are for multiple uses. We need to ensure that is happening.

However, since 1983, access to mineral reserves in the West has declined by about 65 percent. Less than 17 percent of the total mineral estate is leased as compared to 72 percent in 1983. I do not suggest we return to that, but we do have to take a look at accessibility. We have to take a look at good environmentally sound ways of exploring and extracting minerals. We can do that. The Bush-Cheney plan addresses this problem. Not only how to do it, but it talks about renewables. It talks about the environment and issues we need to talk about.

We have a great deal to do, but we have some great opportunities to do it. Here are a few of the things that are in the Bush-Cheney national energy policy. We help consumers in the short run. We increase LIHEAP funding to \$1.7 billion. LIHEAP is for low-income people whose home energy bills went up. We double the weatherization funding, work with Governors to encourage regional energy planning, and work with FEMA so the emergency agency can respond to energy emergencies.

There is a good deal of emphasis on conservation, increasing efficiency. Indeed, it is made a national priority in this book.

We need to expand DOE's appliance standards programs to make standards higher. We need to take a look at the mileage standards on vehicles, and this plan provides incentives for fuel-efficient technologies. These things are all in this plan, and I think are a very important part of it.

We need to increase the supply of conventional fuels. We can do that. I know there is great controversy about

ANWR. Whether or not we end up in ANWR is not the issue; the issue is whether there is access to those lands that should be available for exploration and production. There are a great many of those lands. We have already extensive gas production. We need to increase the infrastructure there and have a natural gas pipeline; provide royalty relief for deep water and enhance that recovery, as well as low production wells. We can do that which would increase considerably production of energy here.

There are a lot of things to do. We need to extend renewables and alternative fuels. This is a good one. As I mentioned, it currently only produces less than 2 percent—a little over 1 percent—of the total, but it has the potential to do a great deal more. And it is very clean energy. That is what a lot of people would like to do.

It streamlines the hydroelectric licensing process. It expands tax credits, again, for the production of electricity from renewable sources.

We hear from environmentalists that all that is talked about is more production of oil. That is not true. This book contains all these areas, with a considerable amount of emphasis on conservation, and with a considerable amount of emphasis on renewables. So we can do that.

Obviously, one of the difficult things to do is strengthening and increasing the infrastructure so we can move energy. There is a good deal of talk in my State, again, about mine mouth generation. It is very efficient. But then you have to move it. You have to move it on a transmission line or a gas pipeline. We can do that. I think we have done some research to reduce the line loss that is in that kind of transportation. But that is probably our most available source of electric generation. It needs to be moved to where the market will be. We can do that.

There needs to be a considerable amount of work done on refining. One happy thought is that there is a surplus of gas that is beginning to build up. I think we see a leveling off of the price. I met with some refiners the other day, and they say there is likely to be a turnaround here, probably after this weekend. It will not be a great rush, but we will see it at least not move up as it has in the past.

Finally, I am a strong proponent of the environment. I grew up in a place right outside Yellowstone Park, where the environment is very close. In our plan, as we look forward to where we want this country to be in the next 20 years, in the next 50 years, we need a strong economy. And if we want a strong economy, we need jobs.

We also need energy so we can provide for this economy and do the things we need to do, which includes the military and military defense. At the same time, we want to have an environment with a certain amount of open space protecting this environment so that we end up preserving the mountains in

Teton Park, so that we end up preserving the open spaces in Nevada, so that we end up preserving the trees and the mountains and the hills in Vermont because those are very close to all of us and very important.

So I think we have a great opportunity now. We have to move quickly because it is something that affects everyone. And it is starting to affect us now, of course.

There is always this question of needing to do something today. We need to put in price caps. We need to do this. It is very difficult. Obviously, price caps have not been an asset in terms of causing things to happen over the long term, to cause investments to take place so that we do solve the problems.

We took oil out of SPR, out of storage last time, and it had no overall impact. So we are going to have to sit down, probably look for conservation in the short term, and take a look at what we can do with infrastructure, with sources to develop our fuels for the future.

I think we have a great opportunity to do that. We have guidelines for doing it in President Bush's and Vice President CHENEY's national energy policy.

VETERANS OPPORTUNITIES ACT OF 2001

Mr. THOMAS. Mr. President, I ask unanimous consent that the Veterans' Affairs Committee be discharged from further consideration of H.R. 801 and that the Senate then proceed to its immediate consideration.

The PRESIDING OFFICER (Mr. CHAFEE). Without objection, it is so ordered. The clerk will report the bill by title.

The assistant legislative clerk read as follows:

A bill (H.R. 801) to amend title 38, United States Code, to improve programs of educational assistance, to expand programs of transition assistance and outreach to departing servicemembers, veterans, and dependents, to increase burial benefits, to provide for family coverage under Servicemembers' Group Life Insurance, and for other purposes.

There being no objection, the Senate proceeded to consider the bill.

AMENDMENT NO. 790

Mr. THOMAS. Mr. President, Senators SPECTER and ROCKEFELLER have an amendment at the desk, and I ask for its consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Wyoming (Mr. THOMAS), for Mr. SPECTER, for himself and Mr. ROCKEFELLER, proposes an amendment numbered 790.

(The text of the amendment is printed in the RECORD under "Amendments Submitted and Proposed.")

Mr. SPECTER. Mr. President, I have sought recognition to comment on the "Veterans' Survivor Benefits Improvement Act of 2001," a measure which I